

Message Text

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15

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

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FM AMEMBASSY MADRID

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SUBJECT: DEFAULTS BY ENTRECANALES Y TAVORA, S.A. AND MATERIALES
Y TUBOS BONNA, S. A. FCIA CLAIM ME-657-X

REF: STATE 028212

1. EMBOFF HAS MET WITH GABINO GUEDAN GALLAR OF EN
TRECANALES Y TAVORA, S.A. JUAN DE MENA 8, MADRID
14. WHO OUTLINED HIS VIEWS RE PROBLEM OF PAYMENT
VIS-A-VIS ALLIS CHALMERS EQUIPMENT PURCHASED FOR
ARGENTINA PROJECT. GUEDAN SAID HIS COMPANY,
TOGETHER WITH A FRENCH SPANISH FIRM, MATERIALES Y
TUBOS BONNA, S. A. BARCELONA, HAD FORMED A JOINT
VENTURE WITH JAIME BERNARDO COLL, AN INDIVIDUALLY
OWNED FIRM IN BUENOS AIRES, FOR THIS PROJECT

2. GUEDAN READILY ACKNOWLEDGE THE GUARANTEES SIGNED BY HIS
FIRM (HE SAID MARIANO GONZALEZ BECERRA WAS
WITH ENTRECANALES WHEN HE SIGNED THE NOTES) AND
IN RESPONSE TO THE EMBOFF'S REQUEST,
SAID HE HAD NO OBJECTION TO GIVING THE EMBASSY A
STATEMENT TO THAT EFFECT. HE ALSO ASSURED THE
EMBOFF THAT HE WOULD SPEAK WITH MATERIALES Y
TUBOS BONNA IN BARCELONA TO SEE IF THEY WOULD
BE WILLING TO PREPARE A SIMILAR STATEMENT FOR THE
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EMBASSY. GUEADAN WILL CONTACT US NEXT WEEK.

3. GUEADAN (WHOSE COMPANY IS PERHAPS THE SECOND LARGEST CONSTRUCTION COMPANY IN SPAIN, WITH ASSETS OF 1.4 BILLION PESETAS, AND WHICH ENJOYS A GOOD REPUTATION FOR PUNCTUAL PAYMENTS) INDICATED THAT THE AMOUNT INVOLVED VIS-A-VIS ARGENTINE FIRM COULD NOT GET PERMISSION TO CONVERT PESOS AND CONTINENTAL BANK IN BUENOS AIRES REFUSED TO ACCEPT PAYMENT IN NON-CONVERTIBLE PESOS. WHEN THE EMBOFF STATED HE UNDERSTAND THAT THE GUARANTEE OF PAYMENT WAS A DOLLAR INSTRUMENT, GUEDAN SAID THE GOS WOULD NOT AUTHORIZE CONVERSION OF PESOS FOR THE U.S. EQUIPMENT PURCHASED FOR THIS ARGENTINE VENTURE. GUEDAN ALSO STATED THAT HIS FIRM HAD ALREADY MADE MORE THAN ITS SHARE OF PAYMENT TO FOREIGN SUPPLIERS OF THE APPROXIMATE \$50 MILLION PROJECT IN ARGENTINA.

4. THE EMBOFF VISIT APPEARED TO HAVE IMPRESSED GUEDAN WITH THE MORE SERIOUS ATTITUDE WITH WHICH THIS MATTER IS VIEWED BY USG SOURCES. HE SAID HE WOULD CHECK WITH ENTRECANALES PARTNERS IN BARCELONA AND BUENOS AIRES TO SEE WHETHER THIS MATTER COULD BE EXPEDITIOUSLY SETTLED DEFINITELY.

5. WE WILL AWAIT WORD FROM GUEDAN NEXT WEEK AND FOLLOW UP RESTATEMENT FROM BOTH SPANISH FIRMS AND REPORT ACCORDINGLY.

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